GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2799
ANSWERED ON:19.12.2003
FUNDS TO STATES
BASUDEB ACHARIA;NIVEDITA MANE

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has mooted a proposal to ease the borrowing costs for States to finance their annual plans;

(b) if so, the details of the proposals that have been considered;

(c) whether the Union Government is looking at providing funds to States in the form of negotiated loans out of the balance of national Small Savings Fund;

(d) if so, whether these loans could be at a rate well below rates for such loans which States contract from institutions like LIC and HUDCO; and

(e) if so, to what extent this decision has been helpful for the States to improve their financial position?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE

SHRI ANAND RAO V. ADSUL:

(a): No, Sir.

(b): Does not arise.

(c): No, Sir.

(d) & (e): Do not arise.